APPENDIX E

EXTENDED CARE COVERAGE

I. Definitions

To the extent they are not in conflict with the following, the definitions contained in Article IV and in Appendix A of the Program are incorporated herein by reference. For the purposes of this Appendix:

A. "nurse professional" means a registered nurse (RN), a licensed practical nurse (LPN), nurse practitioner, or nurse clinician, who is legally qualified and licensed to perform nursing services at the time and place services are rendered; or other individual who meets Program standards, and who is appropriately licensed where required;

B. "nursing home" means a basic or intermediate care facility licensed and operated in accordance with the laws or other regulations pertaining to nursing homes, which provides 24-hour nursing care under medical supervision to ill or disabled enrollees who are unable to care for themselves, and which meets Program standards and is approved by the carrier; and

C. "Program standards" means for purposes of this Appendix E, standards established by the Appendix E carrier; and

D. "unskilled care" means care which, although prescribed by a physician, is typically provided to assist the patient with the activities of daily living including, but not limited to, bathing, dressing, incontinent care, skin care, and meal preparation. Although such care requires only basic skills and training, it may be provided in a licensed nursing home, by a home health care agency, or by a privately contracted, qualified nurse professional.

The Extended Care Coverage (ECC) carrier shall have discretionary authority to interpret, construe and apply the above provisions of the Program. The carrier's exercise of this authority shall be given full force and effect unless it is determined by the Plan Administrator to have been inconsistent with the Program provisions or arbitrary and capricious.

II. Eligibility, Enrollment and Contributions

A. Extended Care Coverage (ECC) is available to primary enrollees eligible for and enrolled in coverage under Appendix A of the Program, with the exception of:

1. Employees in Hawaii;

2. Employees classified as Flexible Service Employees, Expatriates or Cooperative Students;

3. Primary enrollees who reside in Canada and elect the Optional Canadian Health Care Coverage (OCHCC); and

4. Employees whose service date is on or after January 1, 2001.

5. Retirees and surviving spouses who have waived, discontinued or otherwise terminated ECC in their own right and who have not been (a) continuously enrolled either in ECC under another primary enrollee or in the Comprehensive Medical Expense Insurance Program coverage applicable to OCHCC enrollees, or (b) included in the coverage elections of an employee eligible for coverage under this Program.

B. With the exception of sponsored dependents, secondary enrollees are eligible for ECC if they are eligible and enrolled for Appendix A coverage under a primary enrollee enrolled in ECC.

C. An ECC-eligible employee who elects and is enrolled for coverage under Appendix A of the program will be enrolled automatically in ECC, regardless of the enrollment option elected (BMP, EMP, or HMO). If the employee's coverage under Appendix A is terminated, or if the employee's status changes to one which would not entitle the employee to ECC, the ECC is terminated; if the employee's coverage under Appendix A is reinstated, or if the employee returns to a status which entitles the employee to ECC, it will be reinstated. Employee contributions for ECC will be included in the calculation of contributions for the Medical Plan options.

D. Retirees and surviving spouses eligible for Medical Plan coverage under the Program will make a separate contribution for ECC, if it is elected. The

contribution schedule is subject to periodic adjustment, at the discretion of the Corporation.

1. The enrollment status [self-only, self and spouse, self and child(ren) or self and family] for ECC will be the same as that for the Medical Plan enrollment status chosen by the retiree/surviving spouse.

2. A retiree or surviving spouse who does not elect to enroll in, or to maintain enrollment in ECC will not be permitted to reenroll in ECC at a later date unless, during the intervening period, the retiree or surviving spouse has been enrolled in ECC under another primary enrollee, included as a secondary enrollee in the Medical Plan elections of a salaried employee or enrolled under the OCHCC. The same prohibition will apply to an individual who becomes a salaried retiree or a surviving spouse of a salaried employee or retiree and elects not to enroll in ECC at the time of retirement or enrollment as a surviving spouse, or who initially elects but then discontinues ECC.

III. Covered Expenses and Benefits

A. ECC coverage applies only to long term and/or custodial nursing care needs. Accordingly, the situations in which ECC benefits may be payable, subject to the specified maximums, are if:

(1) an enrollee exhausts hospital or skilled nursing facility or home health care coverage under Appendix A of the Program;

(2) home health care services for an enrollee exceed the requirements for coverage under Appendix A;

(3) an enrollee incurs expenses for private duty nursing services (except while a patient in a hospital, skilled nursing facility or nursing home); or

(4) an enrollee incurs expenses for custodial care which is not covered under Appendix A.

B. There are no deductibles and copayments applicable to services covered under this Appendix.

C. Determinations made by carriers administering Appendix A coverages, with regard to the nature of care being

provided to an enrollee will not control benefit determinations for ECC, nor will determinations of the ECC carrier control benefit determinations under other appendices of the Program. To the extent that the ECC benefits payable are a function of the nature of the service being performed (i.e., skilled, unskilled or a combination of the two), the medical necessity of the services, the reasonable and customary charge for such services or the approved status of the provider for ECC purposes, the ECC carrier shall have discretionary authority to interpret, apply and construe the provisions of the Program. The ECC carrier's exercise of this authority shall be given full force and effect unless it is determined by the Plan Administrator to have been inconsistent with the Program provisions or arbitrary and capricious.

D. The maximum benefit payable under this Appendix for services incurred during any one calendar year (January 1 through December 31) is $50,000 for each enrollee, subject to the provisions below. Claims must be received by the carrier no later than the last day of the calendar year following the calendar year in which the expenses are incurred.

1. Coverage will be provided at the reasonable and customary daily rate for skilled or mixed skilled and unskilled care for:

   a. Medically necessary non-custodial hospital or skilled nursing facility admissions which exhaust Appendix A limits;

   b. Skilled hospital or skilled nursing facility admissions which are not covered under Appendix A due to the Appendix A carrier's determinations that the admissions are custodial in nature;

   c. Admissions to nursing homes approved by the ECC carrier, for services considered by the ECC carrier to be skilled in nature; and

   d. Skilled care being provided in the home by a qualified home health care agency or by a qualified nurse professional but which does not meet the criteria for coverage under the Appendix A provisions, exceeds the intermittent or part-time criteria or exhausts limits of the option elected.

However, if benefits are denied or reduced, under Appendix A, solely due to failure to use providers approved by the Appendix A carrier, no benefits are payable.

2. Coverage will be provided at a maximum of $35 per day for unskilled care delivered in a hospital, skilled nursing facility, nursing home or in the patient's home by nurse professionals.

3. Coverage will be provided for medical supplies not covered under another provision of the Program (e.g., prescription drugs, durable medical equipment) for an enrollee admitted to a hospital or skilled nursing facility for unskilled custodial care, or for an enrollee confined to the home who is receiving benefits under this Appendix but not receiving home health care services under Appendix A. For enrollees receiving benefits for home health care services under Appendix A, medical supplies are covered (see Section III.D.2.c.(3)). Supplies covered under this Appendix are in addition to the $35 daily allowance for actual care of the enrollee and are subject to applicable reasonable and customary charge limitations.

IV. Limitations and Exclusions

Covered expenses will not include, and benefits are not payable for:

A. deductibles and copayments applied to covered expenses under any option available under another Appendix of this Program or out-of-pocket expenses incurred as sanctions because of failure to satisfy the Program provisions under such appendices;

B. services in the home in connection with routine nursing care of newborn children;

C. services not prescribed by a physician;

D. education or training (including such services when directed toward learning, behavioral or developmental deficiencies);

E. amounts covered by public programs providing benefits (such as those under laws pertaining to Worker's Compensation, non-occupational disability, old age assistance, veteran's assistance, and any Federal or

state health insurance act providing nursing benefits);

F. amounts reimbursed by Medicare;

G. amounts in excess of the reasonable and customary charge or which are not considered to be necessary as determined by the carrier;

H. services available without cost: Coverage does not include services for which a charge would not have been made if no coverage existed; services for which the enrollee is not legally obligated to pay; or services which the enrollee received or, upon application, could receive without cost under the laws or regulations of the United States of America, Dominion of Canada, any other country, or any state or political subdivision thereof;

I. charges which duplicate benefits paid under another Appendix of the Program;

J. services provided by family members or relatives: Coverage does not include services provided to the enrollee by members of the enrollee's household or immediate relatives of the enrollee. For purposes of this provision, "immediate relative" refers to the enrollee's spouse, natural or adoptive parents, children or siblings, step-parents, -children or -siblings, father-, mother-, son-, daughter-, brother-, or sister-in-law, and grandparents or grandchildren of the enrollee or the enrollee's spouse;

K. services provided by a halfway house, group home, adult foster care facility, assisted living facility, rest home, adult day/night care, residential care, and the like; (for example, charges including but not limited to room, board and nursing care provided by such non-covered facilities);

L. non-medical supplies including, but not limited to, personal hygiene products, over-the-counter medications and personal items (including disablebriefs and diapers);

M. private duty nursing services for enrollees admitted to hospitals, skilled nursing facilities or nursing homes;

N. physical, functional occupational and speech therapy services;

O. charges for admissions, services, supplies and the like which are related to treatment of mental health and/or substance abuse disorders, whether or not such admissions, services, supplies and the like are covered under Appendices A and/or B of the Program. However, unskilled and/or custodial care provided by nurse professionals and meeting all other terms and conditions of this Appendix may still be covered; and

P. charges for services rendered prior to the effective date of, or after termination of coverage under this Appendix. However if a patient's covered and continuous admission to a hospital, skilled nursing facility or nursing home commences prior to termination of the coverage, benefits may be paid for that patient's admission until the earliest of discharge from the facility, exhaustion of the calendar year maximum and the end of the calendar year in which coverage is terminated.

Q. charges for room or facility reservations or the completion of any claim forms or record processing.